



## Information Partners Can Use on:

# PACE

### New Medicare Prescription Drug Coverage

As of December 8, 2005

#### If you have Medicare and are enrolled in a PACE program, you need to know

1. Starting January 1, 2006, Medicare prescription drug coverage becomes available to everyone with Medicare, including you.
2. Your PACE plan will automatically include the new Medicare prescription drug coverage. You don't have to do anything. However, if you want to join a different Medicare drug plan, you should know that you will be dis-enrolled from your PACE program.

#### 1. What is a Medicare drug plan?

A Medicare drug plan offers coverage for prescription drugs through private companies that meet Medicare's standards.

##### There are two types of Medicare drug plans:

- Medicare Prescription Drug Plans (PDPs) that add coverage to the Original Medicare Plan.
- Prescription drug plans that are part of a Medicare Advantage Plan (MA-PDs) or other Medicare health plan.

#### 2. Should people with PACE join a Medicare drug plan?

No—your PACE plan will cover the new Medicare drug benefit. You don't need to do anything. You should only join a Medicare drug plan if you want to leave your PACE program. Your PACE program provides not only your prescription drug coverage, but all of your health care services. Therefore, if you disenroll from your PACE program by joining a separate Medicare drug plan, you will no longer receive other health care services from your PACE program.

If you have questions about Medicare prescription drug coverage, talk to your social worker or any other staff person at your PACE organization.

#### PACE Participant with Medicare and NOT Medicaid

If you have Medicare but not Medicaid coverage and wish to stay in your PACE program, you don't have to do anything. Starting January 1, 2006, you will continue to get your drug coverage through PACE as you do now.

If you stay in your PACE program, you will pay a **separate** monthly premium for your Medicare prescription drug coverage and another premium for other services (including health care and non Medicare drug coverage prescriptions).

As a PACE participant with Medicare but not Medicaid, you might be eligible for extra help in paying for your prescription drug benefit depending upon your income and resources. This help can only be applied towards part of the cost of the basic prescription drug benefit and does not apply to any drugs in addition to the basic benefit. This extra help is described in greater detail on the next page in question three.

#### PACE Participant with Medicare AND Medicaid

If you have both Medicare and Medicaid and are enrolled in a PACE program and want to stay in your PACE plan, you don't have to do anything. Starting January 1, 2006, you will continue to get your drug coverage through PACE as you do now. It is not necessary for you to apply for financial assistance because you will continue to get your drugs as you do now at no out-of-pocket cost to you.

**As a PACE participant with Medicare and Medicaid, can I qualify for extra help paying for Medicare prescription drug coverage?** Yes, you automatically qualify for extra help paying for Medicare prescription drug coverage, and do not need to apply for it. As a PACE participant with both Medicare and Medicaid, your prescription drug costs will be entirely subsidized by the government. You will have no out-of-pocket expense for your prescription drug coverage.

### 3. Can people with Medicare enrolled in a PACE program qualify for extra help?

Yes. People with Medicare who have limited income and resources may qualify for extra help for their drug expenses. If you have Medicaid, a Medicare Savings Program or SSI you qualify automatically and do not need to apply for it. Others need to apply for it. Information about applying for extra help is shown below.

#### What are the income limits for extra help?

- If your annual income is below \$14,355 (or \$19,245 if you are married and living with your spouse), you may qualify. These amounts may be higher if
  - you provide at least half of the support for other relatives living in your household or,
  - you reside in Alaska or Hawaii or,
  - you are working.

There are also special considerations on income exclusions for the working blind and disabled.

#### What are the resource limits for extra help?

- To get the extra help with Medicare prescription drug plan costs, your countable resources (the value of things you own) generally must be below \$11,500 [or \$23,000 (2005 amounts) if you are married and living with your spouse] and includes \$1,500 per person for burial expenses. Some examples of countable resources are
  - real estate (other than your primary residence)
  - bank accounts, including checking, savings and certificates of deposit
  - stocks
  - bonds, including U.S. Savings Bonds
  - IRAs
  - mutual funds
  - cash at home, or anywhere else

- Some things not counted as resources are:
  - your primary residence
  - your vehicle(s)
  - your household goods and personal possessions
  - resources you could not easily convert to cash, such as farm machinery and livestock, jewelry and home furnishings
  - money conserved for medical and social services
  - federal income tax refunds
  - property you need for self-support such as rental property, or land you use to grow produce for home consumption
  - life insurance policies owned by an individual with a combined face value of \$ 1,500 or less. An individual and spouse could have a total of \$3,000.

If you believe you may qualify for Medicare's extra help, you can request an application from the Social Security Administration (SSA) by calling SSA at 1-800-772-1213 or you can go to [www.socialsecurity.gov](http://www.socialsecurity.gov) on the web to apply online. After you apply, you will get a notice in the mail that tells you if you qualify. SSA's application process provides you with the quickest aid decision. You can also apply at your local Medicaid office. Your state determines if you qualify for the extra help, or other assistance your state provides.

### For more information about Medicare prescription drug coverage . . .

Read the "Medicare & You 2006" handbook you got in the mail in October 2005.

- visit [www.medicare.gov](http://www.medicare.gov) on the web and select "search tools" to get personalized information.
- call your State Health Insurance Assistance Program (see your copy of the "Medicare & You 2006" handbook for their telephone number). You can also call 1-800-MEDICARE (1-800-633-4227), or look at [www.medicare.gov](http://www.medicare.gov) on the web to get the telephone number. TTY users should call 1-877-486-2048.
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